



HONOLULU AUTHORITY for RAPID TRANSPORTATION

IN REPLY REFER TO:

CMS-APOOHART-00090

January 17, 2019

The Honorable Kirk Caldwell, Mayor
City and County of Honolulu
530 South King Street, Room 300
Honolulu, Hawaii 96813

and

The Honorable Ann H. Kobayashi
Interim Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Andrew S. Robbins
EXECUTIVE DIRECTOR AND CEO

Krishniah N. Murthy
SENIOR ADVISOR

BOARD OF DIRECTORS

Damien T.K. Kim
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Hoyt H. Zia

Dear Mayor Caldwell, Interim Chair Kobayashi, and Councilmembers:

Pursuant to Section 17-104.1(g) of the Revised Charter of the City and County of Honolulu 1973 (2017 ed.) ("City Charter" or "RCH") and Section 8.5 of the Honolulu Authority for Rapid Transportation (HART) Board Rules ("Board Rules"), the Board of Directors of HART ("HART Board"), by its Human Resources Committee¹ (the "Committee") conducted an annual evaluation of the performance of Andrew Robbins ("Robbins"), HART's Executive Director and CEO, over a period of months beginning September 2017 when he assumed the job through December 2018 and submits this report on that evaluation to both of you. This is his first-year evaluation under his current three-year employment contract which expires on September 4, 2020.²

Executive Summary: The Committee began the performance evaluation process starting in October 2018 and conducted an evaluation conference with Mr. Robbins on December 13, 2018. Mr. Robbins did a commendable job of getting up-to-speed and taking control of this high-profile,

¹ The Committee consisted of voting members Hoyt H. Zia (Chair), Damien T. K. Kim (Vice Chair), Terrence M. Lee, and Wes Frysztacki, along with non-voting members Kamani Kuala'au and Tobias Martyn who actively participated in the evaluation.

² Because the timing of this annual performance evaluation is out of sync with his employment anniversary date when it is supposed to take place, the Committee has requested Corporation Counsel to review the amending of Mr. Robbins' employment agreement to change the evaluation period so that it coincides with the calendar year instead of his employment anniversary by extending his employment contract by approximately three months so that it expires on December 31, 2020.

complex program and had some notable achievements, chief among them changing course to pursue a public-private partnership ("P3") for HART while otherwise keeping construction of the rail literally and figuratively on track. Not surprisingly, given the complexity of the project and the high performance standards attendant to the position, Mr. Robbins did not fully meet expectations his first year on the job and has some room for growth and improvement which the Committee thoroughly reviewed and discussed with him.

The Committee recommended that no salary raise be given for 2018-2019 but that a year-end bonus of \$10,000 be awarded³ in recognition of his accomplishments (see Attachment A, which lists many notable ones). The HART Board voted to accept these recommendations, including the Committee's overall performance evaluation of Mr. Robbins, and it looks forward to continuing to work with him in 2019.

Methodology/Process

The Committee conducted the evaluation by soliciting input from the entire Board, Mr. Robbins' direct reports, and from the Mayor and Council Chair. The Committee met three times during the fourth quarter of 2018 to discuss process, synthesize the input received, complete the evaluation, and then conduct the evaluation with Mr. Robbins.

The evaluation itself consisted of two parts independent of each other: his general performance, which focused on criteria developed and used to evaluate his predecessors (a copy of the metrics of which are attached as Attachment B), and his completion of the objectives upon which the determination of an annual bonus, if any, would be based (see Attachment C).

1. A summary of his general performance evaluation is as follows:

a. Board Interaction Rating: Met Expectations.

Personally, Mr. Robbins is amiable, cordial, approachable and accessible which was consistently reflected in his interactions with the Board. He attended all Board meetings and many Board committee meetings and staff briefings for the Board. His reports to the Board were generally well-informed, prepared and succinct, and he responded well to questions unfailingly.

In terms of improvement, it was felt that he should spend more time getting to know more Board members whose diverse backgrounds, experiences, and networks could help him with a variety of HART issues, and that going forward he should endeavor to keep the Board more closely informed and on a timelier basis about matters particularly with respect to sensitive and strategic issues. Also, given the restrictions imposed by the Sunshine Law on the Board members, it falls upon him

³ Mr. Robbins generously requested that the bonus payment be deferred until such time as he completed his remaining pending objectives, but his request was denied as the Board based upon its determination that the bonus should be awarded in recognition of circumstances faced by Mr. Robbins during his first year as HART's Executive Director and CEO and his performance/efforts during the evaluation period.

to take the initiative in identifying ways in which he can help the Board better support the work of HART.

b. External Relationships Rating: Improvement Required.

Mr. Robbins consistently attended HART neighborhood and community events and represented HART well before the public, and he organized a well-received and attended industry P3 conference. However, he needs to improve relationships with key political leaders. He also needs to make it a priority to develop and implement a public communications plan to educate the public about using rail, its benefits, and its costs in order to foster greater public trust and confidence in HART to include outreach to key leaders in the business community.

c. Internal Relations Rating: Met Expectations.

Mr. Robbins hit the ground running and has a collegial and open management style that has been welcomed by staff, and he has developed strong working relationships with key direct reports and fostered an atmosphere of open internal communications which reflects thoughtful leadership and good listening skills. He also did a notable job getting his team to support and accomplish his P3 initiative.

That said, he should make a greater effort to listen to all among his management team, particularly those with contrary views, so they feel "heard" even if decisions do not go their way to ensure a greater sense of inclusion. It is recommended that a confidential survey be employed in the future to obtain employee and contractor feedback regarding their satisfaction on working for/with HART.

d. General Management Rating: Improvement Required.

Mr. Robbins is moving the project forward with a keen focus on deadlines, and he has made positive restructuring changes and improved organizational efficiency. On the whole, his general management appears adequate if not wholly satisfactory.

At the same time, it was noted that reports, permitting requests, and issues for Board decision were not always being submitted sufficiently in advance for proper consideration. The concern was also expressed that Mr. Robbins relies too much on outside consultants and without being sufficiently critical or discerning of their work before presenting to Board for decision. Overall, organizational leadership may be improved through greater communication of his vision for HART which would also serve to enhance his image as a strong CEO-leader.

Conclusion:

Mr. Robbins has proven a quick study and brought a level, steady competence to the organization in his first year as HART's Executive Director and CEO, a difficult job to be sure even without the public scrutiny and political controversy surrounding HART and the rail project. It is to Mr. Robbins' credit that the management of organization and its mission as a whole continues apace, even if not by leaps and bounds, and that he has corrected some of and continues to address the many problems he inherited that have plagued HART. Though much remains to be done, we are confident that Mr.

The Honorable Kirk W. Caldwell
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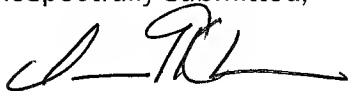
Robbins will continue to work hard to accomplish his mission and particularly to successfully achieve P3 financing. Because he did not fully meet expectations, however, it was decided that no pay raise was warranted this year.

2. Bonus Performance Evaluation:

As noted earlier, an evaluation of Mr. Robbins' eligibility for a performance bonus of up to 15% of his \$317,000 base salary, or \$47,550, was separately conducted based upon the objectives he had set for himself for the year (see Attachment C). He succeeded in accomplishing only six of the eleven objectives with the remaining ones either incomplete or simply not achieved.⁴ In recognition of his efforts, particularly with respect to P3 which had not been a specified performance bonus objective, favorable consideration for a partial bonus was decided in the amount of \$10,000.

If you should have any questions, please contact Cindy Matsushita, HART Board Executive Officer, at 768-6258 or cmatsushita@honolulu.gov.

Respectfully submitted,



Damien T.K. Kim
Chair, HART Board of Directors



FOR Hoyt H. Zia, Chair
HART Human Resources Committee

Attachments

cc: HART Board of Directors
Mr. Andrew S. Robbins, Executive Director and CEO
HART

⁴ It should be noted that the ability of Mr. Robbins to complete little more than one-half of his objectives reflects more on his being overly optimistic at the start of his tenure about what he could accomplish—and insisted upon including on his list of bonus performance objectives—than on any lack of competence or effort. That said, major objectives such as obtaining Recovery Plan approval and issuing a Strategic Plan remain incomplete.

Honolulu Rail Transit Project

Summary of Project Accomplishments in 2018

- Since January 2017, the Project has remained on its current budget of \$8.165B and current schedule for full opening by Q4 2025. A robust risk management program initiated in 2017 is used and championed to underpin budget and schedule decision-making and performance.
- The West Side Guideway contracts (approx. 10 miles) and The Rail Operations Center were completed.
- A comprehensive agreement with Kiewit Infrastructure West was reached and approved by the Board, which resulted in reaching Final Completion status on the Rail Operations Center Contract and Substantial Completion status on the WOFH and KHG guideway contracts. 62 separate contractor claims for compensation totaling almost \$90 million were settled at an agreed amount of \$13.2 million.
- The nine West Side stations are in various stages of construction, with some approaching over 80% completion. Significant emphasis is being placed on these station completions toward the goal of Interim operations in late 2020.
- The Airport Guideway Segment (AGS) contract reached nearly 35% completion and remains on schedule and under budget.
- HART awarded the City Center Utilities Relocation Contract which will minimize risks associated with utility relocations and the start of the City Center and Guideway and Stations contract, and work has begun with the creation of multiple task orders.
- In May 2018, a milestone was reached with the energization of the Rail Yard at the Rail Operations Center. Dynamic System testing continued in an energized section of track in Waipahu.
- The third and fourth trains were received in Honolulu during 2018.
- In December 2018, another major milestone was reached with the first running of a train in automatic mode of operation in the Rail Yard.
- In March 2018, the City and County of Honolulu with HART's leadership, introduced the HOLO card, the first transit smart card in Honolulu. Several related back office elements of the HOLO card were also completed for commencement of Beta testing.
- Throughout 2018, the feasibility of introducing a Public-Private-Partnership (P3) project delivery method for the City Center and Pearl Highlands projects was studied, analyzed and the subject of significant stakeholder discussions, leading to final HART Board approval in September 2018. This resolves the project delivery approach for the last major portion of the Project. Efforts included the conducting of a major Industry Outreach, engagement with EY Infrastructure Advisors, and the production of a detailed White Paper for the HART Board inclusive of a risk analysis comparing DB and DBFOM project delivery methods.
- The P3 Request for Proposals, Part 1, for City Center and Pearl Highlands was released to Industry, kicking off a 14 month procurement process.
- HART's efforts to secure construction access and acquisition of all needed right-of-way was significantly increased in 2018. A Working Group was also formed to ensure that HART is optimizing its resources and strategies in regard to aligning work on utility relocations, right-of-

way acquisition, construction, and core systems access, particularly in the City Center portion of the system.

- In conjunction with the P3 procurement approach, HART initiated a comprehensive approach toward settling a major delay claim put forward by AnsaldoHonolulu JV. The claim settlement will resolve all delay claims covering East Kapolei to Middle Street and will clear the way for Interim Operations and progressing into City Center. As part of this process, HART urged Ansaldo to appoint a senior executive of the company to the position of Project Executive, to which Ansaldo complied. At the end of 2018, HART announced its intention to bring this settlement to the HART Board in January 2019 for approval.
- HART Staff supported the FTA's Biennial Risk Refresh Analysis conducted by the Project Management Oversight Consultant (PMOC.) Based on HART input, the PMOC estimate for project completion came within 1.6% of the HART estimate, a far improved result from a similar review in 2016.
- In September 2016, the FTA indicated that HART and the City should resolve a lingering issue regarding the funding of \$44 million from City sources, resolve the project delivery method for City Center and Pearl Highlands, and complete an update to the Project Recovery Plan, all within specified 30 and 60 day windows. HART worked closely with the City Council and the City Administration on these requirements and was able to fulfill all requirements to the satisfaction of the FTA.
- In 2018, HART completed two significant updates to the Project Management Plan (PMP) which previously had not been updated since 2012.
- HART participated in and supported multiple audits, including the City Audit, the State Audit, the FTA Risk Refresh, the FTA Triennial Audit, and the annual financial oversight audit.
- HART reorganized its Design & Construction department to remove a layer of management and also to empower the Construction Engineering and Inspection contractors in taking a more proactive management role in the Project.
- Two female Directors within the HART organization were promoted to the positions of Deputy Executive Director, adding diversity to the HART leadership team.
- HART's emphasis on Safety Performance and Sustainability were increased in 2019 with the institution of new safety policies as well as with the institution of a Sustainability Policy and the formation of a Sustainability Mobility Lab.
- Planning for Interim Service was significantly increased in 2019 with the development of an O&M Transition Plan via joint cooperation with the City Department of Transportation Services, as well as the formation of an Interim Services Task Force to identify and resolve all issues necessary for Interim Service.
- Hawaiian Station names for the first 9 stations were developed by a working group under HART leadership.
- An Associates Degree program using a curriculum developed jointly by HART, AnsaldoHonolulu JV and Leeward Community College was established in early 2018 and saw the initial enrollment of 16 students, geared toward future employment in Operations & Maintenance for the Honolulu Rail System.

Performance Evaluation Report

Honolulu Authority for Rapid Transportation
 Executive Director and Chief Executive Officer
 Period: September 2017 — September 2018

Appointed by the Board of Directors (Board) of the Honolulu Authority for Rapid Transportation (HART), the Executive Director and Chief Executive Officer (ED & CEO) receives policy direction from the Board and is responsible for planning, directing, and administering all of the affairs of HART including running the day-to-day operations of the Authority. The ED & CEO makes recommendations to the Board on budgets, policies, plans and rules, and reports regularly on the performance of the agency.

Definitions of components used in completing the Performance Evaluation Report:

FAILS TO MEET EXPECTATIONS	1	Results achieved do not meet required expectations and objectives
IMPROVEMENT REQUIRED	2	Results achieved do not meet expectations and require improvement
MEETS EXPECTATIONS	3	Results achieved meet required expectations and objectives
EXCEEDS EXPECTATIONS	4	Results achieved exceed required expectations and objectives consistently
EXEMPLARY	5	Results achieved surpassed required expectations and objectives without exception

ANNUAL BASE SALARY ADJUSTMENT:

Up to three and one half percent (3.5%) of the base salary amount (currently up to \$11,095.00, based on \$317,000.00 base salary). Base salary adjustment is discretionary upon satisfactory achievement of the performance objectives set forth in Exhibit A to the Employment Agreement.

PERFORMANCE FACTORS	RATINGS	COMMENTS Specify: <ul style="list-style-type: none">- accomplishments- recommendations for improvement/growth- redirection- noteworthy comments
Board Interaction		
External Relationships		
Internal Relationships		

General Management		
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Recommended base salary adjustment: \$ _____

ANNUAL BONUS:

Up to 15% of the base salary amount (currently up to \$47,550.00, based on \$317,000.00 base salary). Bonus is discretionary and payable upon the successful achievement of performance metrics as specified for in the Employment Agreement.

ANNUAL BONUS	COMMENTS
Obtain approval of Recovery Plan	
Optimize HART Table of Organization (organizational chart)	
Perform direct stakeholder, community and public outreach	
Institute and prioritize effective risk management process	

Issue HART Strategic Plan	
Develop a procurement plan and RFP for City Center Guideway and Stations and Pearl Highlands Transit Center	
ITEMS FOR ADDITIONAL CONSIDERATION	COMMENTS
Improve upon safety performance by 10%	
Champion robust Sustainability Plan	
Obtain control of right of way and land acquisition processes	
Issue updated Project Management Plan	
Accelerate planning and development regarding O&M with DTS	

Recommended bonus: \$ _____

**Annual Performance Metrics
for
Andrew S. Robbins, Executive Director & CEO
Honolulu Authority for Rapid Transportation (HART)
Evaluation Period: September 5, 2017 – September 4, 2018**

As detailed in the position description attached as Exhibit A to the Employment Agreement (Agreement) between Andrew S. Robbins (CEO) and HART acting through its Board of Directors (Board) dated July 31, 2017, the CEO has certain responsibilities, powers, duties and functions which have been enumerated along with expectations as to skills and abilities with which he will perform them and conduct his relationships, both internal and external, in his capacity as HART's leader.

Pursuant to Section 17-104.1(g) of the Revised Charter of the City and County of Honolulu 1973 (2017 ed.), the CEO shall receive an Annual Performance Review upon which, pursuant to relevant portions of the Agreement and subject to availability of funds, bonus eligibility consideration shall be given by the Board based upon accomplishment of "specific and measurable performance metrics" submitted by CEO and approved by the Board. In addition to the satisfactory performance of position description items of Exhibit A, the Board and CEO agree that accomplishment of the following priority tasks will serve as the basis for the CEO's bonus eligibility consideration:

1. Obtain the approval of the HART Recovery Plan with the FTA with the specific objective of restoring the flow of Federal Funding in accordance with the Recovery Plan's Finance Plan (as revised and submitted to FTA) no later than June 30, 2018. Respond to all FTA questions and requests for information in a timely manner.
2. Optimize HART Table of Organization (TO) by reorganizing structure and managing HART Staff to greater performance, efficiency and effectiveness than pre-Sept'17 levels. Present revised TO to the Board by its March 15, 2018 meeting, and measure success of reorganization based upon FTA monthly and/or end-of-year evaluations.
3. Perform direct stakeholder, community and other public outreach to effectively communicate the "go forward" strategic direction of HART and the HARTP with the objective to perform at least twice-monthly outreach activities. Present to Board updated Communications Plan complete with implementation schedule and metrics at May 31, 2018 Board meeting.
4. Institute and prioritize an effective risk management process to be refreshed no less than monthly to provide management with the necessary management tools to identify, monitor and mitigate risks, and

manage the H RTP, to a specific capital budget and schedule, i.e., as of September 5, 2017, the capital budget inclusive of all contingencies is US\$8.165B excluding finance costs, with a projected Interim Service date of December 2020 and a Full Revenue Service date of December 2025.

5. Finalize and issue a HART Strategic Plan. Submit drafts of SP for BOD's review, consideration, input and approval in April'18 and July'18 with final plan completed by August'18.
6. Develop a procurement plan and RFP for the City Center Utilities Package by Dec. 2017 and award a Contract for this package by April 2018 as follows:
 - Institute a 3-step Public Private Partnership (P3) process and plan in regard to the City Center Guideway and Stations package, to also potentially include the Pearl Highlands Transit Center and H2P2 ramp project, beginning with a Phase 1 P3 Advisory Contract by December 2017 leading to a go-forward decision on P3 contracting for this package by April 2018.
 - Proceed with an RFP and contract award for a P3 Developer/Concessionaire beginning in April 2018 and extending into Q3 2019 all with the objective of completing the work and achieving a full Revenue Service date of 2025.
 - Fully support the City in regard to TOD development and implementation.

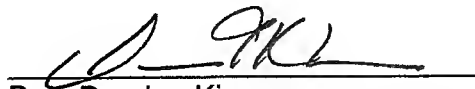
In addition to these priority items, at the request of the CEO consideration will also be given to accomplishment of the following tasks:

- a. Improve upon, by 10%, the existing strong safety performance of HART and HART Contractors from pre-September 2017 levels by instituting new and revised processes as may be necessary to achieve that goal, instituting a "Near-Miss" safety process and taking into account activities revolving around current and upcoming project activities including live power activation, dynamic train testing and other related activities.
- b. Champion a robust but realistic Sustainability Plan for HART. Submit a Sustainability Commitment and Plan for Board approval by February 2018 and develop an Annual Sustainability Report beginning in 2018.
- c. By year end, obtain control of all right-of-way and land acquisition processes in a timely manner so that they do not adversely impact or impede the project budget or schedule.

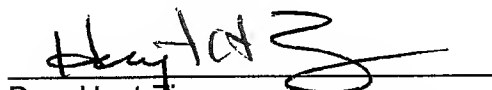
- d. Finalize and issue an updated Project Management Plan by February 2018.
- e. Accelerate planning and development activities regarding Operations & Maintenance of the H RTP, respecting the requirements of the City Charter and by working closely together with the City's Department of Transportation Services. Present the O&M planning to the HART Board of Directors no later than February 2018 and assist DTS with their preparation of FY 20189 budget requirements.

APPROVED at its February 22, 2018 meeting.

Honolulu Authority for Rapid Transportation



By: Damien Kim
Chairperson, Board of Directors



By: Hoyt Zia
Chairperson, Human Resources Committee

Acknowledged and Accepted.



Andrew S. Robbins
Executive Director & CEO

2/28/18
Date